

August 7, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT

(ALL DISTRICTS AFFECTED .3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1 473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1) Account Number -8656977	\$172,000
(2) Account Number -4695694	\$400,000
(3) Account Number .4846296	\$123,572
(4) Account Numbers .41 55862, 445462	\$204,41 2
(5) Account Number .8254541	\$ 2,500
(6) Account Numbers -3292847, 3312565, & 3364806	\$ 3,700

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) .(3) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations. The compromise offers of settlement for patient accounts (3) .(6) are recommended because the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases, and the patients have no other financial means to pay the full amount of charges.

JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

Honorable Board of Supervisors

August 7, 2003

Page 2

FISCAL IMPACT:

This will expedite the County's recovery of partial payments totaling approximately \$906,184 from three patients' insurance (Commercial or HMO) companies, and from three patients' proceeds due from third-party liability settlements, for the medical care provided.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action. Respectfully submitted,
Thomas M D.

Director and Chief Medical Officer

TLG :1 g R:\Astecker\Compromise Brd LtrAugust03\Compromise0S703.WPD)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: August 7, 2003

Total Charges	\$265,558	Account Number	8656977
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$265,558	Date of Service	01/11/03-02/14/03
Compromise Amount Offered	\$172,000	%Of Settlement	65% of Gross Charges
Amount to be Written Off	\$93,558	Facility	LAC-I-USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or IIMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2

DATE: August 7, 2003

Total Charges	\$622,611	Account Number	4695694
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$622,611	Date of Service	06/07/02-07/10/02
Compromise Amount Offered	\$400,000	%Of Settlement	64% of Gross Charges
Amount to be Written Off	\$222,611	Facility	MILK/Drew Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or KN'IO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

**COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL No. 3
DATE: August 7, 2003**

Total Charges	\$234,168	Account Number	4846296
Amount Paid	\$0	Service Type	Inpatient
Balance Due Compromise Amount Offered	\$234,168 \$123,572	Date of Service %Of Settlement	07/29/02-08/20/02 53% of Gross Charges
Amount to be Written Off	\$110,596	Facility	H/UCLA Medical Center

JUST WICATTON

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or IIMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4

DATE: August 7, 2003

Total Charges	\$422,528	Account Number	4155862, 4415462
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$422,528	Date of Service	08/16/01-09/04/01 01/16/02-02/27/02
Compromise Amount Offered	\$204,412	Facility	MILK/Drew Medical Center
Amount to be Written Off	\$218,116		

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at MILK/D Medical Center and incurred total inpatient charges of \$422,528 for medical services rendered.

The patient's third-party claim has been settled for \$1,000,000 and his attorney has offered a compromise in the amount of \$225,000 to cover all inpatient (\$204,412) and outpatient services (\$20,388). The compromise amounts for the outpatient accounts were within the Facility Finance Director's authority. This compromise amount represents the maximum amount the Department will be able to receive under the tort settlement involved in this case, and the patient has no other financial means to pay the full amount of charges. The patient's lawyer has indicated that the patient will have additional surgery and his total medical expenses is unknown at this time; accordingly it appears appropriate for MILK/D Medical Center to receive a smaller percentage of the ultimate settlement than is customary.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5

DATE: August 7, 2003

Total Charges	\$66,902	Account Number	8254541
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$66,902	Date of Service	09/10/02-09/21/02
Compromise Amount Offered	\$2,500	Facility	LACI-USC Medical Center
Amount to be Written Off	\$64,402		

JUSTIFICATION

This patient has a personal injury case. As a result of this injury, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$66,902 for medical services rendered.

The patient's third-party claim has been settled for \$12,000 and following disbursement of the proceeds:

his attorney is proposing the

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees and cost	\$3,805	\$3,805	32%
LAC+USC	\$66,902	\$2,500	21%
Other Medical Liens	8,551	1,695	14%
Net to Patient		\$4,000	33%
Total	\$79,258	\$12,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.

(R~\AStecker\Comp--omise Brd Ltr\August03\TPL8254541 .wpd)

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6

DATE: August 7, 2003

Total Charges	\$44,936	Account Number	3292847, 3312565, 3364806
Amount Paid	\$0	Type	Inpatient and Outpatient
Balance Due	\$44,936	Date of Service	01/19/00-01/24/00 02/01/00, 02/04/00, & 2/25/00 03/03/00 & 03/10/00
Compromise Amount Offered	\$3,700	Facility	MILK/Drew Medical Center
Amount to be Written Off	\$41,236		

JUSTIFICATION

This patient has a personal injury case. As a result of this injury, the patient was treated at MLKID Medical Center and incurred total inpatient charges of \$44,936 for medical services rendered.

The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees and cost	\$10,300	\$ 10,300	69%
MLKID	\$44,936	\$ 3,700	24%
Net to Patient		\$ 1,000	7%

Total	\$55,236	\$15,000	100%
--------------	----------	----------	------

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/D Medical Center.

(R:\AStecker\Compromise Brd LtrJuly03\TPLAcctFlvarious.wpd)